

# HOUSE RESEARCH

## Bill Summary

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## **Article 1: Supplemental Appropriations**

### **Overview**

States that the appropriations in this act are added to or subtracted from the appropriations enacted by the 2005 legislature. Makes supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, effective the day following final enactment.

Provides a summary of the appropriations and reductions by fund.

## **Article 2: Economic Development**

### **Overview**

This article makes supplemental appropriations and reductions to the Department of Employment and Economic Development (DEED), the Department of Commerce, the Boxing Commission (established in section 35), the Department of Labor and Industry (DOLI), and the Department of Health. Among other things, this article also establishes a Boxing Commission and regulates boxing and other nontraditional fighting contests in Minnesota, modifies the criteria used by the Public Facilities Authority (PFA) for the award of total maximum daily load grants, increases the bonding authority of the PFA, establishes an Office of Entrepreneurship at DEED, establishes two task forces, and provides some potential relief for striking employees of Northwest Airlines.

- 1 Economic development appropriations. States that the appropriations in this article are added to or subtracted from the appropriations enacted by the 2005 legislature. Makes supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, effective the day following final enactment. Summarizes the economic development appropriations and reductions by fund.
- 2 Employment and Economic Development. Makes the following supplemental appropriations to DEED in fiscal year 2007, for the purposes explained below: \$1,358,000 from the general fund; \$18 million from the health care access fund; \$450,000 from the workforce development fund; and \$1.15 million from the special revenue fund.

Subd. 1. Business and community development. Appropriates \$467,000 from the general fund to the BioBusiness Alliance of Minnesota for bioscience business development programs that will grow and create bioscience jobs in Minnesota and position Minnesota as a global biobusiness leader. Makes this a one time appropriation.

Appropriates \$120,000 from the general fund for the Office of Entrepreneurship, created in section 15. Provides that this amount shall be added to the agency's base.

Appropriates \$120,000 in fiscal year 2007 from the general fund for a salaried position for a federal procurement assistance specialist based out of Washington, D.C. Makes the base appropriation for this purpose in fiscal year 2008 and thereafter

\$60,000.

Subd. 2. Biotech partnership. Notwithstanding the statutory prohibition of non-MinnesotaCare transfers from the health care access fund, appropriates \$18,000,000 from the health care access fund to the commissioner of DEED for the collaborative biotechnology and medical genomics research partnership between the University of Minnesota and the Mayo Foundation. Requires submission of a report on the expenditure of this appropriation to four committees of the senate and house of representatives by June 30 of each fiscal year until the appropriation is expended. Makes this a onetime appropriation that is available until expended.

Subd. 3. Pilot project, greater Minnesota business development investments. Appropriates \$1,150,000 of the unobligated balance in the rural rehabilitation revolving account for the greater Minnesota business development investments pilot project established in section 64. Makes this a onetime appropriation.

Subd. 4. Workforce partnerships. Appropriates \$100,000 in fiscal year 2007 from the general fund for the learn to earn program and makes the base appropriation for this program in fiscal year 2008 and thereafter \$50,000.

Appropriates \$401,000 in fiscal year 2007 from the general fund for the Minnesota youth program and makes the base appropriation for this program in fiscal year 2008 and thereafter \$200,000.

Appropriates \$150,000 in fiscal year 2007 from the general fund for youthbuild program and makes the base appropriation for this program in fiscal year 2008 and thereafter \$75,000.

Also appropriates \$450,000 in fiscal year 2007 from the workforce development fund for a pilot project to encourage the licensure of foreign-trained health care professionals. Makes this a onetime appropriation. Requires the commissioner to work with local workforce boards to award grants sufficient to cover the costs of taking a course to prepare for licensing examinations and the fee for licensing examinations. Requires the commissioner to consider whether a grant recipient's training involves a medical specialty in demand in Minnesota and also requires the commissioner to establish additional criteria for grant awards. Specifies that the program will run from July 1, 2006, to June 30, 2007. Mandates a legislative report on the effectiveness of the program by October 1, 2007.

1. 3 Department of Commerce. Appropriates \$477,000 from the petroleum tank release cleanup fund in fiscal year 2006 and \$478,000 from the petroleum tank release cleanup fund in fiscal year 2007 to the Department of Commerce for the purposes explained below. Reduces the department's base for two programs, to reflect the transfer of the residential contractor and remodeling unit.

Subd. 1. Petroleum tank release cleanup. Notwithstanding the statutory provision governing applications to the Petroleum Tank Release Compensation Board for cost reimbursements, appropriates \$477,000 in fiscal year 2006 and \$478,000 in fiscal year 2007 from the petroleum tank release cleanup fund to the commissioner of transportation for reimbursable costs incurred before January 1, 2004. Makes this a

one time appropriation.

Subd. 2. Construction code consolidation. Reduces the fiscal year 2007 general fund appropriation for the Department of Commerce administrative services by \$89,000 and the fiscal year 2007 general fund appropriation for the Department of Commerce market assurance by \$459,000 , to reflect the transfer of the residential contractor and remodeling unit to the special revenue fund.

2. 4 Boxing Commission. Appropriates \$50,000 from the general fund to the Minnesota Boxing Commission established in sections 34 to 49 to operate and administer the commission. Makes this a one time appropriation. Sets a budget base for the commission of \$50,000 in fiscal year 2008 and \$50,000 in fiscal year 2009 (from the special revenue fund).
3. 5 Labor and Industry. Reduces the department's general fund appropriation for fiscal year 2007 by \$1,878,000.

Subd. 1. One-stop licensing system. Appropriates \$300,000 in fiscal year 2007 from the general fund to DOLI for staffing, design, and the first phase of developing a statewide license system. Increases the base budget for this program by \$1.7 million in fiscal year 2008 and by \$6.44 million in fiscal year 2009.

Subd. 2. Construction codes consolidation. Reduces the fiscal year 2007 general fund appropriation for DOLI workplace services by \$2,178,000 , to reflect the transfer of the boiler and high-pressure piping to unit to the special revenue fund.

Requires DOLI to perform an analysis of fees collected by the Construction Codes and Licensing Division and to submit recommendations for fee adjustments to the 2007 legislature.

Requires DOLI to transfer \$1,759,000 from the construction code fund, created in article 3, section 3, to the general fund by June 30, 2007.

4. 6 Department of Health. Reduces the fiscal year 2007 appropriation from the state government special revenue fund for the Health Department health protection by \$1,831,000 , to reflect the transfer of the plumbing and engineering unit to the special revenue fund.
5. 7 Additional unclassified positions. Adds Explore Minnesota Tourism to the list of agencies that may designate additional unclassified positions in the state civil service (if the positions meet criteria specified in current law).
6. 8 Retail locations and transport vehicles. Modifies the definition of "transport vehicle," for purposes of petroleum tank release cleanup, to refer to liquid fuel cargo tanks used to deliver gasoline into underground storage tanks during 2002 or 2003 (rather than 2002 and 2003) at retail locations. Extends the deadline for reimbursement from the petroleum tank release cleanup board for the cost of retrofits for retail locations and transport vehicles from January 1, 2006, to September 1, 2006. Makes this section effective retroactively from August 1, 2003.
7. 9 Report on status of rural Minnesota. Requires the Rural Policy and Development Center to report to the house and senate committees with primary jurisdiction over economic development and agriculture on the status of rural Minnesota by January 15 of each odd-numbered year.
8. 10 Annual report. Requires the commissioner of employment and economic development to prepare and submit to the legislature an annual report on the Greater Minnesota Business

Infrastructure Account. Requires the report to include the following:

- the amount of money in the account;
- the amount of money distributed from the account;
- to whom grants were distributed and for what purposes; and
- an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program, including jobs created and wages and benefits paid.

9. 11 Grant account. Makes grant money appropriated from any source for the contaminated site cleanup and development program available for four years.
10. 12 Commissioner discretion. Corrects an erroneous cross-reference.
11. 13 Annual report. Requires the commissioner of employment and economic development to prepare and submit to the legislature an annual report on the redevelopment account. Requires the report to include the following:
  - the amount of money in the account;
  - the amount of money distributed from the account;
  - to whom grants were distributed and for what purposes; and
  - an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program, including jobs created and wages and benefits paid.
12. 14 Small business access to federal research funds. Requires the commissioner of employment and economic development to assist small businesses to access federal funds through the Small Business Innovation Research Program and the Small Business Technology Transfer Program. Unless prohibited by federal law, requires DEED to implement fees for services that help companies seek small business innovation research grants. Appropriates fee receipts to DEED. (The requirement to assist small businesses and to implement fees was enacted, likely on a temporary basis, in 2005 as an appropriation rider for this program.)
13. 15 Purpose (Minnesota Investment Fund) . Recognizes an additional purpose of the Minnesota Investment Fund: promoting businesses that convert to manufacturing environmentally - safe products.
14. 16 Eligible projects (Minnesota Investment Fund). Adds an additional criterion for evaluating Minnesota Investment Fund projects: whether a project encourages environmentally-safe production and products.
15. 17 Office of Entrepreneurship. Establishes the Office of Entrepreneurship to develop and implement strategies to foster entrepreneurial activity. Requires the office to:
  - measure entrepreneurial activity in Minnesota and report to the governor and legislature by March 1 of odd-numbered years;
  - form an entrepreneurial advisory board (comprised of public and private representatives with specified backgrounds) to make recommendations and set

goals for statewide outcomes;

- identify barriers to entrepreneurial development and inventory existing entrepreneurial resources to develop a one-stop information and referral service responsive to the entrepreneurial community;
- advance alternatives for promoting private capital to provide better access to early stage funding for small businesses;
- work with others to provide education, training, and technical assistance; and
- coordinate the state's direct services of small business assistance and the small business development center network.

16. 18 Bioscience and biotechnology subsidies.

Subd. 1. Reporting by subsidy recipients. Requires all recipients of states subsidies for bioscience and biotechnology to provide a written report to DEED by January 15 of each year, addressing: (1) the projected and actual impact of the subsidy on reducing the cost of pharmaceuticals, medical devices, and other bioengineered products; and (2) the projected and actual jobs created as a result of the subsidy (including wage levels and benefits).

Subd. 2. Compilation and subsidy report. Requires DEED to provide a compilation and summary report of the reports received under subdivision 1 to the legislature by March 1 of each year.

Makes this section effective the day following final enactment and specifies that it applies to all state subsidies awarded on or after January 1, 2006.

17. 19 Partnership program. Modifies current law allowing up to 25 percent of a job skills partnership board grant to an educational institution to be used for pre-employment training to instead allow "a portion" of such grants to be used for this purpose. Makes this section effective the day following final enactment.
18. 20 Pathways program. Similar to previous section, but for grants for developing programs that assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. Makes this section effective the day following final enactment.
19. 21 Grants (training and retention). Similar to previous section, but for grants to operate training and retention programs in critical workforce shortages. Makes this section effective the day following final enactment.
20. 22 Terms (apprenticeship advisory council). Strikes obsolete language requiring the apprenticeship advisory council to remain in existence until at least June 30, 2003.
21. 23 Determination of apprentice wages.

Subdivision 1. Procedure. Requires the scale of apprenticeship wages to be determined by the percentage rate in the majority of individual apprenticeship agreements on file for a particular trade. Provides that the rate cannot be below minimum wage.

Subd. 2. Journeyman wage rates. Provides for journeyman wage rates to be set as

follows:

- (1) For work other than construction on public works projects funded with state funds in apprenticeship agreements where there is no bargaining agreement, the rate shall be determined by the current Occupational Employment Statistics (OES) Economic Development Regions for all trades.

The director of labor standards and apprenticeship must consider existing wage rates in an employer's area for a trade (including the OES all-industry median wage rate, current prevailing wage rates for the trade in the area, and existing apprenticeship agreements for the trade in the area). The journeyman wage rate determination does not affect existing apprentice or journeyman wage rates in a collective bargaining agreement and apprentice wage rates cannot be below minimum wage.

- (2) For construction work on public projects funded by state funds in apprenticeship agreements where there is no bargaining agreement, the prevailing wage rate.

22. 24 Required statement of earnings by employer. Gives employers the option of providing statutorily-required earnings statements to employees by electronic means. (Current law requires that such statements be in writing.) Requires employers who choose to provide earnings statements by electronic means to provide employees access to an employer-owned computer during an employee's regular working hours to review and print statements. Requires employers to provide earnings statements in writing upon receiving at least 24-hours' notice from an employee that the employee would like to receive written statements.
23. 25 Prepurchase propane fuel program.

Subd. 1. Created. Requires the commissioner of commerce to operate (or contract to operate) a prepurchase propane fuel program. Requires the commissioner to purchase each July and August the lesser of (1) one-third of the liquid propane fuel consumed by low-income home energy assistance program recipients during the previous heating season, or (2) the amount that can be purchased with available funds.

Provides that the program must be available statewide through each local agency that administers the energy assistance program. Authorizes the commissioner to limit or not engage in prepurchasing if the commissioner finds there is a reasonable likelihood prepurchasing will not result in fuel-cost savings.

Subd. 2. Hedge account. Authorizes the commissioner to establish a hedge account with up to 10 percent of the savings resulting from prepurchasing. Requires these funds to be used to compensate low-income home energy assistance program recipients an amount up to the difference in cost for fuel provided to the recipient if winter-delivered fuel prices are lower than the prepurchase or summer price.

Subd. 3. Report. Requires the department to issue an annual report including: (1) the cost per gallon of the prepurchased fuel; (2) total gallons of fuel prepurchased; (3) the average cost of propane by month (between October and the following April); (4) the number of energy assistance program households receiving prepurchased fuel; and (5) the average savings accruing or benefit increase provided to energy assistance households.

- Makes this section effective the day following final enactment.
24. 26 Payment period. Extends the period of eligibility for facilities to receive renewable energy production incentive payments by extending the deadline as follows: from 2017 to 2019 for qualified hydroelectric facilities and from 2017 to 2018 for qualified wind energy conversion facilities.
25. 27 Office of the commissioner of Iron Range resources and rehabilitation. States that the Iron Range Resources and Rehabilitation Board (IRRRB) is a state agency. Clarifies the expenses of the commissioner of Iron Range resources and rehabilitation and allows the commissioner to pay these expenses using IRRRB revenues from the taconite and iron sulphides tax (as is permitted under current law) *and* also using amounts otherwise appropriated to the commissioner by law. Authorizes the commissioner to appoint and compensate the members of advisory task forces. Makes this section effective the day following final enactment.
26. 28 Spending priority. Authorizes the commissioner of Iron Range resources and rehabilitation to lease, for up to 50 years, surface and mineral interests within those portions of the taconite assistance area impacted by the closure of LTV Steel Mining Company. Requires payments and royalties from such leases to be deposited in the Douglas J. Johnson Economic Protection Trust Fund. Makes this section effective the day following final enactment.
27. 29 Budgeting. Requires the commissioner of Iron Range resources and rehabilitation to annually prepare a budget of operating expenditures, programs, and projects, to be submitted to the IRRRB and the governor for approval. Authorizes the commissioner to expend available funds approved in the budget for operational expenses, projects, and programs.
28. 30 Project approval. Requires the IRRRB and the commissioner of Iron Range resources and rehabilitation to prepare a list of projects to be funded from the Northeast Minnesota Economic Development Fund by August 1 each year. (Current law requires the board to prepare this list.) Strikes language referring to board proposals of projects. Makes this section effective the day following final enactment.
29. 31 Administration. Modifies references to the "Taconite Environmental Protection Fund" to refer to the "Taconite Area Environmental Protection Fund."
30. 32 Appropriation. Modifies references to the "Taconite Environmental Protection Fund" to refer to the "Taconite Area Environmental Protection Fund ." Expands reference to "projects" to include "projects and programs."
31. 33 Project approval. Requires the IRRRB and the commissioner of Iron Range resources and rehabilitation to identify projects to be funded from the Economic Protection Trust Fund. (Current law requires the board to identify these projects.) Strikes language referring to board proposals of projects. Makes this section effective the day following final enactment.
32. 34 Long-range plan. Updates requirements for a long-range plan for the use of the Douglas J. Johnson Economic Protection Trust Fund. Requires the IRRRB and the commissioner of Iron Range resources and rehabilitation to prepare and present a plan to the legislature and the governor by December 31, 2006. Strikes language requiring annual reports from the IRRRB to the legislature and the governor. Makes this section effective the day following final enactment.
33. 35 Fees. Strikes language setting a \$25 fee for monitoring licensing examinations for applicants seeking licensure from the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design. (The board is currently in the process of outsourcing the monitoring of professional examinations. The vendor will charge applicants directly for this cost, and there is no need for a state fee.)

34. 36 Definitions. Defines terms for purposes of the Minnesota Boxing Commission, including "boxing" and "tough person contest."
35. 37 Boxing Commission. Creates a five-member Boxing Commission. Provides that one member must be a retired judge, one member must be a public member, and three members must be involved in the boxing industry. If possible, at least two members must be women.
36. 38 Limitations. Forbids members of the Boxing Commission from directly or indirectly promoting a boxing contest, managing a boxer, or having any interest in the proceeds from a boxing match.
37. 39 Executive director. Authorizes the governor to appoint, and at pleasure remove, an executive director of the Boxing Commission. Authorizes the commission to employ other personnel.
38. 40 Rules. Authorizes the Boxing Commission to adopt rules that include standards for the physical examination and conditions of boxers and referees, and other rules necessary to carry out the purposes of sections 34to 49.
39. 41 Meetings. Requires the Boxing Commission to hold regular meetings quarterly. Authorizes special meetings. Provides that the commission is subject to the Open Meeting Law.
40. 42 Commission duties. Specifies duties of the Boxing Commission, including issuance, denial, renewal, suspension and revocation of licenses.
41. 43 Regulation of boxing contests.

Subd. 1. Regulatory authority; boxing. Provides that all boxing contests are subject to sections 34to 49. Requires contestants to wear padded gloves weighing at least 8 ounces. Requires a member of the Boxing Commission to attend and make a written report on each contest.

Subd. 2. Regulatory authority; tough person contests. Provides that tough-person contests are subject to sections 34to 49, and that contestants must wear padded gloves that weigh at least 12 ounces.

42. 44 Jurisdiction of commission. Provides that the Boxing Commission has sole jurisdiction over boxing contests and tough person contests, unless federal law applies. States conditions under which the commission shall grant licenses.
43. 45 Licenses (boxing).

Subd. 1. Licensure; individuals. Requires specified occupations relating to the boxing industry to be licensed by the Boxing Commission.

Subd. 2. Entity licensure. Requires business entities conducting contests to be licensed.

Subd. 3. Background investigation. Provides for background information on regulated persons.

Subd. 4. Prelicensure requirements. Specifies requirements that must be met before the commission issues a license to a promoter, matchmaker, corporation or other business entity, or to a boxer.

44. 46 Simulcast licenses. Provides for the Boxing Commission to issue a license to a person simulcasting boxing.
45. 47 License fees, expiration, renewal. Provides for issuance of annual licenses by the Boxing Commission, and for expiration of licenses.

46. 48 Fee schedules. Sets forth a fee schedule for licenses issued by the Boxing Commission. Requires the deposit of all fees collected by the commission in an account in the special revenue fund. Requires the commission to be funded by these fee proceeds, with the exception of initial startup costs.
47. 49 Physical exams. Requires boxing contestants and referees to be examined by a physician within three hours before entering the ring, and specifies the required contents of the physician's written report. Requires a physician to be in attendance at each contest.
48. 50 Insurance. Provides that the Boxing Commission must require contestants to be covered by medical and life insurance. Specifies that the cost of required insurance is payable by the promoter.
49. 51 Penalties. Specifies penalties for nonlicensed boxing exhibitions.
50. 52 Executive director (PFA). Provides that the director of the PFA serves in the unclassified state civil service.
51. 53 Total maximum daily load grants. Modifies the criteria used by the PFA to determine whether to award a total maximum daily load (TMDL) grant to a particular project.

Subd. 1. Program established. Gives the PFA authority to award TMDL grants to cover up to 50 percent of the cost of qualified storm water projects or up to 50 percent of additional project costs (described in subdivision 3, paragraph (b)). Current law refers only to grants to cover up to 50 percent of the cost of qualified wastewater projects.

Subd. 2. Grant application. Requires applications for TMDL grants to include a project schedule and a cost estimate for the work necessary to comply with the point source wasteload allocation.

Subd. 3. Project priorities. Paragraph (a) modifies the current criteria for evaluating the priority of TMDL grant projects. Current law specifies that the PFA shall reserve money appropriated for TMDL grants for projects in the order that their TMDL plan was approved by the United States Environmental Protection Agency (EPA) and in an amount based on their most recent cost estimates or as-bid costs. This subdivision would also require the PFA to also consider: (1) when the grant application for a project is received by the PFA, and (2) which projects have the greatest load reduction, as determined by the Pollution Control Agency (PCA).

Paragraph (b) specifies that any balances remaining after money is reserved for the projects described above may be reserved for projects on the PCA's project priority list to cover additional costs associated with wastewater disposal methods under certain circumstances.

Paragraph (c) requires the PFA to reserve money for projects based on the most recent cost estimates submitted to the PFA or the as-bid costs, whichever is less.

Subd. 4. Grant approval. Gives the PFA authority to make grants to a municipality for projects described in subdivision 3, paragraph (b) without the EPA approval that is otherwise required. Clarifies that the PFA can only make a grant to a municipality after the municipality has submitted the as-bid costs for its wastewater treatment or stormwater projects to the PFA and strikes language requiring a municipality to estimate the cost of the wastewater treatment projects necessary to comply with the

point source wasteload allocation. Specifies that the PFA cannot award a grant unless the PCA has reviewed and certified the project to the PFA and strikes language requiring the PFA to approve the cost estimate for a project.

Subd. 5. Grant disbursement. No changes.

Subd. 6. Fees. Authorizes the PFA to charge grant recipients a fee for the PFA's administrative costs, not to exceed 0.5 percent of the grant amount. Specifies that the fee shall be paid upon execution of the grant agreement.

52. 54 Bonding authority. Increases the bonding authority of the PFA from \$1.25 billion to \$1.5 billion to meet future needs. This change would allow the PFA to sell bonds for another 3-5 years, depending on bonding appropriations.
53. 55 Commissioner to designate. Permits the commissioner of employment and economic development to designate additional bioscience zones. (Current law authorizes *one* zone.)
54. 56 Designation schedule. Requires the commissioner of employment and economic development to use substantially the same application and designation process for additional bioscience zones as the commissioner used to designate the initial bioscience zone.
55. 57 Pilot project. Extends the sunset date for the Thief River Falls extended employment pilot project from June 30, 2006, to June 30, 2007. Also extends from October 1, 2006, to October 1, 2007, the deadline for the commissioner of employment and economic development to evaluate the pilot project.
56. 58 Fund transfer. Corrects language used to accomplish a fund transfer in the 2005 Jobs omnibus bill.
57. 59 Olympics bid task force.

Subd. 1. Task force; purpose. Creates a 17-member task force to study the feasibility of Minnesota submitting a bid to host the summer Olympics. Specifies how the task force members shall be appointed.

Subd. 2. Duties. Requires the task force to investigate and report to the legislature on the feasibility of Minnesota submitting an Olympic bid. Identifies information that must be included in the report.

Subd. 3. Administrative matters. Requires the commissioner of employment and economic development to provide administrative and staff support for the task force. Specifies that members of the task force serve without compensation and serve as long as the task force is in existence. Provides for the expiration of the task force upon submission of the report required under subdivision 2.

58. 60 Geothermal heat pump study. Requires the reliability administrator for the Public Utilities Commission to use up to \$50,000 of the money available for studies and technical assistance for a comprehensive technical, economic, and environmental analysis of the benefits of greater use of geothermal heat pump systems for heating and cooling air and heating water in Minnesota. Requires a report to the chairs of the house and senate committees with primary jurisdiction over energy policy by March 15, 2007.
59. 61 Increase d job training and wages for minorities. Requires the commissioner of employment and economic development to develop an initiative to promote employment opportunities for minorities that will significantly expand job training available to m inorities and promote substantial increases in the wages paid to minorities. Requires the commissioner, in consultation with the governor's workforce development council, to submit a report on

the initiative to the governor and the house and senate committees with finance jurisdiction over employment by January 10, 2007.

60. 62 Labor dispute; overpayments. Provides that benefits paid to an applicant for unemployment benefits will not be considered overpaid under the following circumstances:

- benefits were awarded by an unemployment law judge in an 2005 or 2006 decision;
- the case involves a labor dispute in the airline industry;
- the award of benefits is r e versed by the Minnesota Court of Appeals or the Supreme Court of Minnesota.

Specifies that if the above circumstances exist, the benefits that have been paid shall not be used to compute the experience rating of the applicant's employer. Makes this section effective the day following final enactment.

61. 63 Labor dispute; benefits. Eliminates the waiting week and extends the end of the benefit year for applicants for unemployment benefits until December 30, 2006, under the following circumstances:

- t he case involves a labor dispute;
- t he case was ordered to hearing by the commissioner of employment and economic development in 2005 without an initial determination;
- t he applicant has a benefit account date of August or September 2005; and
- t he applicant was initially denied unemployment benefits by an unemployment law judge.

Makes this section effective the day following final enactment.

62. 64 Dislocated worker program; eligibility. Deems individual s whose unemployment benefit claim s are subject to section 61"dislocated workers" for purposes of the dislocated worker program. Authorizes the commissioner of employment and economic development to waive , on an individual basis, dislocated worker program requirements for these individuals on a case-by-case basis . Provides that a waiver may include retroactive payments for training expenses incurred before the individual became eligible for the dislocated worker program.

63. 65 Plug-in hybrid electric vehicle task force.

Subd. 1. Establishment; membership. Establishes a plug-in hybrid electric vehicle task force, to consist of 13 members appointed as directed.

Subd. 2. Appointment. Requires the chairs of the senate and house committees with primary jurisdiction over energy policy to jointly appoint task force members.

Subd. 3. Cochairs. Requires the task force to have two cochairs, one appointed by the senate committee chair with primary jurisdiction over energy policy and one appointed by the house committee chair with primary jurisdiction over energy policy.

Subd. 4. Charge. Requires the task force to: (1) identify barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small and large private fleets, and Minnesota drivers at large; (2) develop strategies to be implemented over one-, three-, and five-year time frames to overcome those barriers. Provides that the task force must also consider possible financial incentives to encourage Ford Motor Company to produce plug-in hybrid, flexible fueled vehicles at its St. Paul plant. Requires the task force to consider the data presented under subdivision 5 when making findings and recommendations.

Subd. 5. Data and analysis. Requires the commissioner of the Pollution Control Agency to analyze and report to the task force the environmental impacts (as specified) of purchasing plug-in hybrid electric vehicles for the state-owned fleet and at penetration rates of 10 percent, 25 percent, and 50 percent of all motor vehicles registered in Minnesota.

Subd. 6. Expenses. Provides for reimbursement of task force members' expenses.

Subd. 7. Staff. Requires the state agencies represented to provide staff support.

Subd. 8. Report. Requires the task force to report findings and recommendations to the chairs of the senate and house committees with primary jurisdiction over energy policy and state government operations by April 1, 2007.

Subd. 9. Definitions. Defines "plug-in hybrid electric vehicles" for purposes of this section.

Subd. 10. Expiration. States that the task force expires on June 30, 2008.

Effective date. Makes this section effective the day following final enactment.

64. 66 Pilot project; greater Minnesota business development investments.

Subd. 1. Investment fund. Requires the commissioner of employment and economic development to establish an investment fund from which the commissioner must make two fund investments in qualified organizations. Requires amounts repaid by qualified organizations to be returned to the fund for subsequent reinvestments.

Subd. 2. Qualified organizations. Authorizes the commissioner to make investments in organizations that: (1) are established under the challenge grant program; (2) provide business financing to greater Minnesota businesses; and (3) had applied to the commissioner for investment funds by April 1, 2006.

Subd. 3. Authorized investments. Requires the commissioner to make two loans to qualified organizations for providing capital to new and expanding businesses.

Subd. 4. Investments authorized. Authorizes the commissioner to make investments a qualified organization if the investment conforms to the following terms:

- the organization provides collateral or security for 100 percent of the funds

invested in the organization;

- the investment is made in the form of a ten-year loan, at a 1 percent interest rate;
- the organization will make interest-only payments during the term of the loan;
- the organization will make a payment of the entire principal amount of the loan at the end of the ten-year term of the loan; and
- the commissioner does not invest more than \$575,000 in any one organization under this section.

Subd. 5. Requirements for state investments. Requires all investments to be subject to an investment agreement describing the qualifying organization, the use of investment proceeds, an explanation of investment objectives, a description of accounting and reporting standards, and a copy of audited financial statements.

65. 67 Boxing Commission; report. Requires the Boxing Commission to submit a report to the governor and the legislature by December 15, 2006, setting forth a fee schedule that will raise enough revenue to make the commission self-sufficient beginning July 1, 2007.

### **Article 3: Labor and Industry**

## **Overview**

This article makes fiscal changes related to the implementation of Executive Order 193, which consolidated various code enforcement and licensing functions in the Department of Labor and Industry (DOLI). The operating expenditures and related revenue from the five code units (boiler and high-pressure piping, residential contractor and remodeler, electrical, building codes and standards, and plumbing) will be consolidated in a new dedicated construction code fund.

1. 1 Administration by commissioner. Specifically authorizes the commissioner of administration to impose surcharges for public buildings and state licensed facilities. (Current law only refers to permit, plan review, and inspection fees for public buildings and state licensed facilities.) Strikes language requiring the remittance of such fees and surcharges to the commissioner, to be credited to the special revenue fund.
- 2 Designation. Strikes the January 1, 2002, statutory deadline for municipalities to designate a building official to administer the State Building Code. Specifies that when a municipality reimburses the state building official because a state employee has to perform the duties of a building official (in the absence of a building official designated by a municipality), the receipts must be paid to the commissioner of administration. (Current law specifies that the receipts must be paid into the state treasury and credited to the special revenue fund.)
- 3 Administrative action and penalties. Strikes language requiring administrative monetary penalties imposed by the commissioner of administration to be paid to the special revenue fund.
- 4 Collection and reports. Strikes language requiring the deposit of all money collected by the commissioner of administration through surcharges and other fees prescribed by the State Building Code into the state government special revenue fund and appropriating that money to the commissioner for administering and enforcing the State Building Code.
2. 5 Bond requirement; gas, heating, ventilation, air conditioning, refrigeration contractors. Transfers authority to charge a \$15 filing fee to persons giving bond to do gas, heating,

ventilation, cooling, air conditioning, fuel burning, or refrigeration work from the commissioner of administration to the commissioner of labor and industry. Strikes language requiring deposit of the fees in a special revenue fund to be appropriated to the commissioner of administration to cover the cost of administering the bond program.

3. 6 Deposit of money.

Subd. 1. Construction code fund. Creates a construction code fund as a special revenue fund in the state treasury, for the purpose of administering chapter 326 (employments licensed by the state), the manufactured home building code, and chapter 327B (manufactured home sales). Credits all money collected under those sections to the fund (except penalties), unless otherwise designated by law. Credits any interest or profit from the investment of these sums to the fund. Appropriates all money collected in the fund to the commissioner of labor and industry to administer and enforce the provisions of the laws identified in this section.

Subd. 2. Deposits. Specifies that, as of June 30, 2006, all balances in the state government special revenue fund and special revenue fund accounts maintained for the Building Codes and Standards Division, Board of Electricity, and plumbing and engineering unit must be transferred to the construction code fund. Provides that, unless otherwise designated by law, the following amounts are credited to the fund:

(1) money (except penalties) collected under State Building Code; the Manufactured Home Building Code; the radiation hazards program (as fees for examinations, registrations, licenses, and inspections); the Minnesota Electrical Act; and laws regulating boilers, plumbers and pipefitters, water conditioning contractors and installers, residential contractors and remodelers, and manufactured home sales;

(2) fees collected by the commissioner of commerce in connection with continuing education for residential contractors, residential remodelers, and residential roofers.

All penalties set forth under the laws described in sections 1 and 2 and all penalties assessed under the Health Enforcement Consolidation Act of 1993 in connection with any violation of laws regulating plumbers or water conditioning contractors and installers (or the rules adopted under those sections) are credited to the assigned risk safety account.

4. 7 Fees. Strikes language requiring deposit of fees collected by the commissioner of administration under the Manufactured Home Building Code in the state government special revenue fund and appropriating that money to the commissioner for code administration.

5. 8 Authorization as agency. Modifies language regulating the administration of the Manufactured Home Building Code to require the deposit of all money received by the commissioner of administration for services in the construction code fund, rather than the general fund (as is currently required).

6. 9 Fees; licenses; when granted. Strikes language requiring deposit of fees collected by the commissioner of administration under the laws regulating manufactured home sales in the state government special revenue fund and appropriating that money to the commissioner for purposes of administering and enforcing the laws regulating manufactured home sales.

7. 10 Application process. Under current law, a person seeking a waiver from the Access Review Board must apply to the Department of Administration and pay a \$70 fee. This section requires persons seeking waivers to apply to *DOLI* and pay a \$70 fee *to the construction*

*code fund.*

8. 11 Repealer. Repeals the following statutory provisions:
  - language requiring fees for elevator licensure and inspection to be deposited in the state treasury and credited to the special revenue fund (§ 16B.747, subd. 4);
  - language requiring fees collected by the Division of Boiler Inspection to be credited to the general fund (§ 183.375, subd. 5) and language requiring fees collected for boiler inspections to be credited to the general fund (§ 183.545, subd. 9); and
  - language crediting fees related to the licensure of plumbers to the state government special revenue fund (§ 326.44), fees related to the licensure of pipefitters to the general fund (§ 326.52), and fees related to the licensure of water conditioning contractors and installers to the general fund (§ 326.64).

## **Article 4: Human Services**

### **Overview**

This article provides for human services supplemental appropriations and reductions.

1. 1 Commissioner of human services.

Subd. 1. Total appropriation. Provides a summary by fund of the total appropriation changes for fiscal years 2006 and 2007.

- Requires the commissioner to ensure that for fiscal year 2007, the MOE used by the commissioner of finance for the February and November forecasts contains expenditures under the TANF/MOE rider in Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1, equal to at least 21 percent of the total required under federal regulations.
- Allows the commissioner to count additional amounts of working family credit expenditures as TANF MOE for fiscal years 2006-2009.
- Appropriates TANF funds in fiscal year 2007 to the commissioner of human services to be transferred to the commissioner of revenue to deposit into the general fund for the working family credit. Specifies that this is a one-time appropriation.

Subd. 2. Children and economic assistance grants. Provides for supplemental appropriations and reductions for MFIP-DWP grants, MFIP child care assistance grants, basic sliding fee child care assistance, children and community service grants, and other children and economic assistance grants.

- Increases the fiscal year 2008 and 2009 TANF transfer to the federal CCDF

fund for MFIP/TY child care.

- Increases appropriations for MFIP and Basic Sliding Fee child care appropriations for the purposes of the child care assistance absent day limits.
- Allows counties to use up to 6 percent of either calendar year 2008 or 2009 basic sliding fee child care allocations to fund accelerated payments that may occur during the preceding calendar year during the conversion to the automated child care assistance program system. Allows counties to use up to 3 percent of the combined calendar year allocations to fund accelerated payments if the conversion occurs over two calendar years. Makes this paragraph sunset December 31, 2009.
- Allows the commissioner to allocate increased child care funds from the federal Deficit Reduction Act of 2005 for the basic sliding fee child care program.
- Appropriates TANF funds in fiscal year 2007 to the commissioner to transfer to the state's social services block grant for the purposes of providing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. Specifies that this is a one-time appropriation. Reduces the 2007 general fund appropriation to the children and community services grant program by an equal amount and restores the general fund base in 2008 and 2009. Makes this paragraph sunset on June 30, 2007.
- Allocates supplemental social service block grant funds appropriated under the federal 2005 Department of Defense Appropriations Act to those counties that served hurricane evacuees and reported those services on the Social Service Information System.
- Reduces general fund appropriations for the Minnesota food assistance program in fiscal years 2006 and 2007. Increases the appropriation for the added cost of food stamp asset limit changes. Increases the general fund base for the Minnesota food assistance program.
- Appropriates money from the telecommunications access Minnesota fund in fiscal year 2007 to the commissioner to supplement the ongoing operational expenses of the Minnesota Commission Serving Deaf and Hard-of-Hearing People. Makes this appropriation part of the commission's base.
- Makes a one time appropriation from the general fund for the cost of implementing the food stamp asset limit changes.
- Appropriates TANF funds in FY 2007 to the commissioner to produce a domestic violence information brochure.

## **Article 5: Human Services Forecast Adjustments**

### **Overview**

An appropriations deficiency occurs when the appropriation in law is smaller than the amount necessary to fully fund the program. An appropriations surplus occurs when the appropriation in law is greater than the estimated amount necessary for the program. For the last several years, the legislature and the executive branch have operated under a series of budget principles that require the legislature to fully fund certain programs and for the executive branch to reflect the full cost of these programs in the forecasts.

This article makes corrections to appropriations for fiscal years 2006 and 2007 where the line item appropriation was different from the amounts needed to fully fund the forecasted programs. These appropriations changes are already included in the February 2006 Forecast of base expenditures.

Human services appropriations in this article are amended to reflect forecast adjustments. The human services adjustments in this bill are necessary to match the February 2006 forecast amounts and affect the following programs:

- MFIP;
- child care assistance grants;
- General Assistance;
- Minnesota Supplemental Aid; and
- Group Residential Housing.

## **Article 6: Children and Families**

### **Overview**

This article provides for state compliance with modifications to the child care assistance, MFIP, and child support enforcement programs made in the federal Deficit Reduction Act of 2005. This article also includes additional modifications to the child care assistance programs, child care licensing, post-adoption search services, and establishes a runaway and homeless youth act.

1. 1 Funding priority. Amends § 119B.03, subd. 4. Adds a fourth priority for basic sliding fee child care assistance for families in which at least one parent is a veteran of the U.S. armed forces.
- 2 Absent days. Amends § 119B.13, subd. 7. Paragraph (a) modifies the absent day limitation by clarifying that providers may not be reimbursed for more than 25 full-day absent days per child, or for more than 10 consecutive full-day absent days. Adds language clarifying that if a child attends for part of the time authorized to be in care in a day, but is absent for part of the authorized time in that same day, the absent time will be reimbursed but the time will not count toward the 10 consecutive or 25 cumulative absent day limits. Specifies that if a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day. Specifies that child care providers may only be reimbursed for absent days if the provider has a written policy for child absences and

charges all other families in care for similar absences.

Paragraph (b) requires that child care providers be reimbursed for up to 10 federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Allows parents to substitute other cultural or religious holidays for the 10 recognized state and federal holidays. Specifies that holidays do not count toward the 10 consecutive or 25 cumulative absent day limits.

Paragraph (c) prohibits families or child care providers from being assessed an overpayment for an absent day payment unless certain circumstances exist.

Paragraph (d) requires that the provider and family receive notification upon initial authorization for services and ongoing notification of the number of absent days used as of the date of the notification.

Makes this section effective July 1, 2006.

3 In-service training. Amends §245A.023 by adding paragraph (b). Provides that the license holder and each primary caregiver in family and group family child care programs must complete 12 hours of training each year.

4 Early childhood development training. Amends §245A.14 by adding subdivision 9a.

Paragraph (a). Requires at least two hours of early childhood development training for child care center directors and staff during the first year of employment.

Paragraph (b). Requires at least two hours of early childhood development training during the first year of licensure or employment for the license holder and any adult caregiver who provides care in a family or group family child care program more than 30 days in a 12-month period.

Paragraph (c). Provides that an individual is exempt from the requirements in paragraphs (a) and (b) if the individual has taken a three credit course on early childhood development within the past five years; has received a baccalaureate or masters degree in early childhood education within the past five years; is licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or has received a baccalaureate degree with a Montessori certificate within the past five years.

5 License holder documentation of cribs. Amends § 245A.146, subdivision 3. Adds that a family child care provider may use a mesh-sided playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants.

6 Domestic violence informational brochure. Adds §256.029. Instructs the commissioner to provide a domestic violence information brochure that informs applicants for general assistance, general assistance medical care, MFIP, medical assistance, and MinnesotaCare about the existence of domestic violence waivers. States that the brochure must also include information about services and programs to help victims of domestic violence. Instructs the commissioner that TANF funds must be used for the brochure. This section is effective upon federal approval.

7 Transaction fee. Amends §256.9862. States that the commissioner must charge transaction

fees in accordance with this section. Deletes the maximum amount of transaction fees that may be assessed in one month. This section is effective July 1, 2007.

8 Asset limitations for food stamp households. Adds §256D.0515. Increases the asset limit for food stamp households to assets of less than \$7,000. This section is effective upon federal approval.

9 Separate state program for use of state money. Amends § 256J.021. Paragraph (a) until October 1, 2006, requires the commissioner to treat MFIP expenditures made on behalf of any minor child who is part of a two-parent eligible household as expenditures under a separately funded state program and to report those expenditures as separate state program expenditures under the Code of Federal Regulations. This is current law.

Adds paragraph (b). Beginning October 1, 2006, paragraph (b) requires the commissioner to treat MFIP expenditures made on behalf of any minor child who is part of a two-parent eligible household as expenditures under a separately funded state program. Provides that these expenditures do not count toward the state's TANF MOE requirement, unless counting certain families would allow the commissioner to avoid a federal penalty. Requires families receiving assistance under this section to comply with all applicable MFIP requirements.

10 Prohibited purchases. Amends §256J.39 by adding subdivision 1a. Provides that MFIP recipients are prohibited from using monthly cash assistance payments in the form of an EBT to purchase tobacco products or alcohol. This section is effective July 1, 2007.

11 Allowable expenditures. Amends § 256J.626, subd. 2. Adds paragraph (e), which allows the commissioner to waive the cap on administrative costs for a county or tribe that elects to provide an approved supported employment, unpaid work, or community work experience program for a major segment of the county's or tribe's MFIP population. Requires the county or tribe to apply for the waiver on forms provided by the commissioner. Prohibits total administrative costs from exceeding the TANF limits.

12 Runaway and homeless youth act. Establishes § 256K.60.

Subd. 1. Definitions. Defines "commissioner," "homeless youth," "youth at risk of homelessness," and "runaway."

Subd. 2. Homeless and runaway youth report. Requires the commissioner to develop a report for homeless youth, youth at risk of homelessness, and runaways. Specifies that the report must include coordination of certain services.

Subd. 3. Street and community outreach and drop-in program. Specifies some of the services that may be provided by youth drop-in centers and street and community outreach programs.

Subd. 4. Emergency shelter program. Specifies the services that must be provided by emergency shelter programs and some additional services that may be provided by these programs.

Subd. 5. Supportive housing and transitional living programs. Specifies the services that must be provided by transitional living programs and some additional services that may be provided by these programs.

13 Post adoption search services. Adds §259.86. Paragraph (a). Directs the commissioner of human services to apply for and accept grant funds and donations to develop a curriculum to train department, county agency, and social service agency staff in performing and complying with post adoption search services developed in best practices guidelines. States that curriculum development and training are dependent upon receipt of sufficient funds to

offset the costs.

Paragraph (b). Directs all department and county social service agency staff providing adoption services to complete six hours of post adoption search services training.

Paragraph (c). States that all private agency staff providing post adoption search services shall complete at least six hours of post adoption search services training.

14 Rules. Amends §259.87. Adds that the commissioner is to make rules to administer section 259.86.

15 Fees for IV-D services. Amends § 518.551, subd. 7. Adds that the public authority is to impose an annual federal collection fee of \$25 for each child support case in which the public authority has collected at least \$500 of support for individuals who have never received public assistance. This fee is not to be retained from the first \$500 collected. This section is effective October 1, 2006, or later if the commissioner determines a later implementation date will not result in federal financial penalties.

16 Ramsey County child care pilot project.

Subd. 1. Authorization for pilot project. Requires the commissioner of human services to approve a pilot project in Ramsey County that will help teen parents stay in school while providing child care assistance for the student's child. Requires the project to increase coordination between services from the MFIP and child care assistance programs and area public schools.

Subd. 2. Program design and implementation. Specifies that the pilot project is established to improve the coordination of services to teen parents. Provides that the project shall (1) provide a streamlined process for sharing information between certain programs; (2) determine eligibility for child care assistance using the teen parent's eligibility for reduced-cost or free school lunches in place of income verification; and (3) waive the child care assistance parental fee for teen parents whose income is below poverty level and whose children attend school-based child care centers.

Subd. 3. Costs. Prohibits increased costs incurred under this section from increasing the basic sliding fee appropriation.